

**MINUTES  
of the  
FIFTH MEETING IN 2005  
of the  
WELFARE REFORM OVERSIGHT COMMITTEE**

**October 17-18, 2005  
State Capitol**

The fifth meeting in 2005 of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Monday, October 17, at 10:25 a.m. at the State Capitol in Santa Fe.

**Present**

Sen. Linda M. Lopez, Chair  
Sen. Sue Wilson Beffort  
Sen. Clinton D. Harden, Jr.  
Sen. Gerald Ortiz y Pino (10/17)  
Sen. John Pinto  
Rep. Nick L. Salazar  
Rep. Gloria C. Vaughn

**Absent**

Rep. Luciano "Lucky" Varela, Vice Chair  
Rep. Kandy Cordova  
Rep. Irvin Harrison  
Sen. Steven P. Neville  
Rep. Avon W. Wilson

**Advisory Members**

Rep. Ernest H. Chavez  
Rep. Daniel R. Foley (10/17)  
Sen. Dianna J. Duran  
Rep. Candy Spence Ezzell  
Rep. Edward C. Sandoval  
Rep. Jim R. Trujillo

Sen. Ben D. Altamirano  
Rep. Richard P. Cheney  
Rep. Larry A. Larrañaga  
Sen. John C. Ryan  
Sen. James G. Taylor

(Attendance dates are noted for those members not present for the entire meeting.)

**Staff**

Jennie Lusk  
Pam Ray  
Carrie McGovern

**Guests**

The guest list is in the meeting file.

**Monday, October 17**

**THE CASE FOR APPROPRIATING GENERAL FUND DOLLARS FOR NATIVE AMERICAN TANF PROGRAMS**

Sarah Hicks, director of the National Congress of American Indians Research Center, gave an overview of Native American Temporary Assistance for Needy Families (TANF) administration, noting that currently 50 native-run TANF programs serve 200 tribes. Citing a 2004 Annie E. Casey Foundation study, she noted that:

- more than 40 percent of American Indian children live in poverty;
- approximately one-third of American Indian men are unemployed; and
- the median income of non-Indian white Americans is twice that of Native Americans.

Because of the significant impact of poverty in Indian country, then, many tribes have decided to administer their own TANF programs, making them available closer to home and administered by natives familiar with the challenges of accessing services on reservations and other tribal lands.

Native American TANF programs involve direct funding by the federal government. Tribes receive a block grant based upon a certain level of participation, just as do states. Unlike states, which are required to "match" their block grants with "maintenance of effort" (MOE) money, tribes are not required to contribute funds or services in exchange for receiving federal money. Because tribes are located in states, the state MOE match serves both entities.

New Mexico provided a state general fund appropriation for Navajos and Zuni for the first time during the last legislative session, although the money has not yet been released. That amount is less than a quarter of the amount that legislators mistakenly thought had been appropriated three years ago when a measure passed that directed federal money to the tribe and nation. The \$1.3 million for the Navajo Nation and the \$189,000 for the Pueblo of Zuni once appropriated was never passed on to the tribes because the state cannot appropriate federal dollars.

Michelle Walela, director of the Zuni Career and Development Center and administrator of the tribe's TANF program, noted that the current New Mexico appropriation will be \$32,750 for the Pueblo of Zuni. The case count at Zuni, however, has doubled since the Zuni-administered TANF program was created, apparently in part because Zuni clients find a Zuni-run operation more accessible and user-friendly. When the tribe moved a food stamp office to Zuni, the number of clients tripled. TANF programs are experiencing greater participation, too. The Zuni TANF program is the second-largest native program, after the Navajo Nation's. Zuni operates a one-stop shop.

Roxanne Gorman, head of the Navajo TANF program, said that hers is the largest tribal TANF in the country. The New Mexico Navajo Nation TANF offices in Crownpoint, Shiprock and Gallup encourage self-sufficiency, she said, and currently focus on promoting high school

graduation and adult basic education. The Navajo Nation straddles three states. Arizona contributes \$2.4 million toward the Navajo Nation TANF, New Mexico appropriated \$217,250 for the first time this year and Utah contributes nothing. The Navajo Nation TANF program serves between 10,000 and 12,000 children.

On questioning from committee members, estimates for the nontribal TANF were given: \$42,000 to 43,000 clients and an MOE of \$32 million. Katie Falls, director of the Income Support Division (ISD) of the Human Services Department (HSD), said she will estimate and report to the committee a number that would represent an equitable amount of state MOE contribution for the Native American TANF programs as compared with the average MOE contribution for non-native TANF programs.

Committee members asked why the state should fund TANF programs it does not administer and were told that the reasons include:

- (1) gaining better participation from tribal members, who will understand and use services provided by their own tribal members better than they do those provided by administrators who do not speak their language or know their circumstances;
- (2) the state provides TANF funds and services for other state residents, and tribal TANF participants are also state residents entitled to an equitable portion of state funds;
- (3) tribal governments may have a better understanding of their communities' needs and local resources;
- (4) tribes are better able to offer a "tough love" approach to clients; and
- (5) tribes have more flexibility to define who is eligible for services and to establish work requirements for native communities where unemployment is over 50 percent.

Concerns were expressed about the ability of the Navajo Nation to provide adequate services in the remote locations of Tohajilee and Alamo, although the Navajo Nation has established itinerant offices there. Discussion followed on the difficulty of finding jobs on the Navajo reservation and on Zuni tribal lands and on the need for the Navajo Nation to state explicitly that creating jobs and training people for available jobs are goals of its TANF program. The chair asked that the Navajo Nation and the Pueblo of Zuni provide the committee with appropriation requests in time for its next meeting.

#### **UTILITIES AND WEATHERIZATION; NEW PERFORMANCE MEASURES**

Ms. Falls reported that federal funds in the amount of \$9 million for low-income utility support will be bolstered by \$23 million from the state general fund, appropriated during the recent special session. The low-income program for help in paying utility bills is available to applicants who earn no more than 150 percent of the federal poverty level and is parceled out on a points system involving factors that include the cost of energy versus household income, the

number of residents and the age of residents. The average payment in previous years was \$128, but this year the average payment will be \$450. Some Native American entities that participate in the federal utilities funding program independently will also receive state general fund dollars.

The phone number for the program is 1-800-283-4465, and information is also available through local ISD offices.

Ms. Falls and Reese Fullerton, executive director of the New Mexico Office of Workforce Training and Development, reported that they are going to attempt to use "new hire" data, recently made available by the federal government, rather than unemployment insurance data and self-reporting to track whether the state's poorest people move out of poverty. Statutory revisions may be needed in order to permit sharing of information among agencies. The agencies will track numbers of clients, job retention and income levels. They also will organize data so legislators can clearly assess whether those who go to work are able to earn enough money to move out of poverty.

### **COMMUNITY ACTION PROGRAMS**

Linda Siegel and Sally Moore, executive director of Empowering Our Communities, talked about community action programs, which have been funded through federal dollars for the past 30 years. Such New Mexico programs are expected to lose at least half of their funding in the coming weeks. Community action programs will, therefore, request state funds for full funding.

Sharon Henderson from the New Mexico Assets Consortium asked legislators to fund a program that allows matching funds for poor people who save a certain percentage of their assets for a long-term investment. Providing an incentive for saving not only makes it possible for the state's poorest people to amass funds needed for starting business or for education but also teaches them good financial habits.

Vicki Van Horn, executive director of the New Mexico Project for Financial Literacy, explained the workings of typical charitable remainder trusts and contrasted them with bond sales to benefit the assets acquisition program. On questioning from committee members, she said that a conservative estimate of return for the state's investment of \$1.9 million would be 2,372 households able to save money and create assets for home ownership, business and education. She also assured committee members that employers can participate in individual development account savings for employees, although establishing such employer-based accounts can be complex.

### **COMMUNITY SCHOOLS**

Renee Paisano, deputy director of the New Mexico Forum for Youth, stated that hers is one of 25 statewide after-school networks attempting to provide both safety and extended learning after regular school hours. Some estimates are that 40 percent of youth are left on their own after school hours.

The forum has led 12 quality conversations statewide, asking what young people want for after-school programming and inventorying what programs are available. By November and December, a web-based directory of schools offering after-hours programs, a survey and a book based on the conversations are due for release.

Clarence Hogue introduced himself as a newcomer at the forum and stated that after-school programs provide youth with safe places that offer adult supervision, peer counseling, transportation and, often, highly valued opportunities for self-expression.

Lynn Pedraza, director of Health and Mental Health Services for Albuquerque Public Schools (APS), reported on the current memorandum of understanding among APS, Bernalillo County and the City of Albuquerque agreeing on the importance of integrating services across communities, including school-based health centers, dental health programs, social work and mental health services. The major obstacles to creating a more extensive network of such cooperative agreements involve confidentiality and physical space for outside agencies. At this point there are 41 cooperative sites in the Albuquerque-Bernalillo County area.

Sammy Quintana of the Public School Insurance Authority (PSIA) reported that PSIA insures 50 schools and 13 institutions of higher education, but that APS is not part of the PSIA. Tenant Utility Liability Insurance Policies (TULIPs), once available to schools for extending coverage for non-school uses, have been less available after 9/11, but within two or three months the policies will again be available, he said.

On questioning from committee members, the panelists said that many school systems are moving in the direction of using the schools after hours, acknowledging that principals hold part, but not the entirety, of the power of community involvement in local schools, that extended hours are becoming a new reality and that different types of teachers, including peers and trade professionals, are becoming involved in after-hours education. Reference was made to the successes of the Beacon schools in San Francisco and the use of AmeriCorps volunteers. Ms. Pedraza said that it is important to emphasize creating sustainable programs and using evidence-based, effective programs to ensure that community schools are working. Mr. Quintana said that premiums for PSIA are not based on the number of hours a school is open, but rather on the history of claims and types of activities covered. Only school-sponsored events are permitted, as of today.

A discussion followed on means of funding extended community school programs.

The meeting recessed at 5:00 p.m.

## **Tuesday, October 18**

Representative Salazar reconvened the meeting at 9:10 a.m.

## **COLLEGE AFFORDABILITY**

Frank Renz, executive director of the New Mexico Association of Community Colleges,

presented information indicating that a college education is not affordable for most of New Mexico's poorest post-secondary students. Through passage of the College Affordability Act in 2005, the legislature provided a framework for assisting poor students who cannot take advantage of the lottery tuition scholarship for any number of reasons, e.g., their need to attend only part time or not being able to enter immediately after high school. However, the act was not funded. It is likely that sponsors will seek a nonrecurring appropriation for the College Affordability Act in January 2006.

Mr. Renz noted that only 10 percent of New Mexico students qualify for the lottery scholarship and that only five percent of students on the lottery tuition scholarship are low-income. New Mexico received an "F" in affordability on the national report card on higher education, although it received a "B" in the year 2000 and a "C" in 2002. On questioning by committee members, Mr. Renz clarified that a \$20 million nonrecurring appropriation could earn a six percent yield and fund \$1.2 million for affordable education in its first year. He agreed to consider and discuss with sponsors the legislators' concerns that a person receiving state funds through the College Affordability Act be able to earn at least an associate degree; an amendment to the legislation may be required in order to address that concern. Mr. Renz estimated that 60 of 100 New Mexico high school students do not attend college, most often because they feel they cannot afford to attend. In response to a concern expressed that attendance in college may be low because the percentage of New Mexicans who drop out is high, Mr. Renz also advocated fully funding adult basic education (ABE) programs and English as a Second Language (ESL) programs. He noted that the average age at New Mexico universities is now 26 years old; the average at community colleges is 31. He also explained "unified educational system" models in which students attend a college, get a credential, go to work for a period and then, on return to college, earn credit for work experience. Funding a traditional model of education is not appropriate in these times where few students complete their education in that fashion.

Discussion ensued on the wisdom of using formula funding for dual enrollment rather than having high schools pay college tuition for high school students who dual enroll in courses. Mr. Renz said he could get information for the committee members on how many students entered dual-enrollment courses, and for how many hours. Representative Trujillo said he would sponsor a bill to change funding for dual enrollment.

#### **UPDATE ON OFFICE OF WORKFORCE TRAINING AND DEVELOPMENT (OWTD)**

Reese Fullerton, executive director of OWTD, reported that the agency has plans to open offices in the central region, including offices in Torrance County, Valencia County, Rio Rancho and Albuquerque as well as two other offices in other regions, between now and June 1. With OWTD's new administration in the eastern region, the numbers dipped, and OWTD was sanctioned. The same thing happened in the central region. However, since the sanctions, OWTD has developed an action plan, has monthly meetings with ISD and is now working to avoid problems. ISD and the one-stop shops are now communicating better. OWTD is purchasing a database that will help track numbers to ensure that customers are properly assessed. In addition, vehicles are being assigned so that workers can do home visits, the Bernalillo County Works Office is making referrals to the Department of Vocational

Rehabilitation and staff is being trained in job placement.

On questions from committee members, Mr. Fullerton acknowledged that there is not enough money to meet all the performance measures. Ms. Falls confirmed that the ISD had requested \$13 million, dropped the request to \$10 million and then was funded for only \$9.3 million for New Mexico Works. However, she said that the department request to the legislature would not go up this year; the department is budgeting only the money currently in the federal block grant. Ruth Hoffman, executive director of the Lutheran Office of Governmental Ministry, told the committee that the \$32 million in state money required for a match of the federal block grant is not actually cash. Instead, in many cases TANF funds are being matched by the department's taking credit as MOE for activities already in place. She said less money is being spent for support services for TANF clients and that more than half of the \$32 million match is actually using other departmental programs as credit rather than actual spending.

### **MINUTES**

The minutes of the September meeting were approved unanimously.

### **PARTNERSHIP FOR PRESCRIPTION ASSISTANCE**

Paul Poister gave the committee handouts and information on the partnership program, which is designed to help find prescription drugs for people who otherwise cannot afford them. The program works this way: when a New Mexico patient calls a toll-free number, the person who answers works through the caller with a questionnaire that helps identify an appropriate prescription drug program; the caller then enters the brand name of the prescription in question and a database searches for what is available. The toll-free phone number is 1-888-477-2669.

### **ADJOURNMENT**

The meeting was adjourned at 11:25 a.m.

NEXT MEETING: Thursday and Friday, December 1 and 2, 2005
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